

THE PITTSBURGH & LAKE ERIE RAILROAD COMPANY

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RECORDATION NO. *12128 C* Filed 1423

November 10, 1983

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INTERSTATE COMMERCE COMMISSION

Ms. Agatha L. Mergenovich, Secretary
Interstate Commerce Commission
12th and Constitution Ave., N.W.
Washington, D. C. 20423

No. *3-318-A051*

NOV 14 1983
Date.....

Fee \$ *10.00*

not
ICC Washington, D. C.

Dear Ms. Mergenovich:

Enclosed for filing with the Commission pursuant to Section 11303(a) of the Interstate Commerce Act are four executed originals and three copies of the following document:

Release of Collateral, dated as of October 26, 1983, from the Security Agreement, dated as of July 31, 1980, as amended and supplemented, between The Pittsburgh and Lake Erie Railroad Company and The First National Bank of Boston, as Agent, said Agreements having been recorded with the Interstate Commerce Commission and assigned Recordation No. 12128, et seq.

Also enclosed is P&LE Voucher No. 3769, dated November 7, 1983, in the amount of \$10.00, payable to the Treasurer of the United States, to cover the recording fee prescribed by the Commission in its rules and regulations.

Please acknowledge receipt at your earliest convenience by stamping and returning to me three executed originals and two copies of the document.

Very truly yours,

G. Edward Yurcon

encs.

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RECORDATION NO. 12128-C
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INTERSTATE COMMERCE COMMISSION

RELEASE OF COLLATERAL

This is a Release of Collateral, dated as of this 26th day of October, 1983, from the Security Agreement, dated as of July 31, 1980, as amended and supplemented, between The Pittsburgh and Lake Erie Railroad Company, a Delaware corporation (the "Company"), and The First National Bank of Boston, as Agent (the "Agent"), for itself and for Continental Illinois National Bank and Trust Company of Chicago, Manufacturers Hanover Trust Company, Pittsburgh National Bank and Equibank (collectively, the "Banks"), recorded with the Interstate Commerce Commission on August 22, 1980, and assigned Recordation No. 12128 (the "Security Agreement").

W I T N E S S E T H:

WHEREAS, the Company and the Banks are parties to the Security Agreement and the related Secured Revolving Credit and Term Loan Agreement, dated as of July 31, 1980, as amended, (the "Credit Agreement"), and as supplemented on August 12, 1983 (the "Supplement to Security Agreement"); and

WHEREAS, pursuant to the Credit Agreement, the Security Agreement, and the Supplement to Security Agreement, the Company granted and created in favor of the Agent for the benefit of the Banks, a security interest under the Uniform Commercial Code as enacted and in effect in the Commonwealth of Massachusetts (the "Code") and under 49 U.S.C. §11303 in certain railroad equipment, which railroad equipment constitutes "Collateral" as defined in §1(d) of the Security Agreement; and

WHEREAS, there are two (2) 70-ton Gondolas, Identification Nos. P&LE 14381 and 14527 (the "Gondolas") constituting, in part, the Collateral as described in Schedule A of the Security Agreement which the Company desires to have released from the security interest of the Agent, and to have deleted from the list of Collateral on file with the Interstate Commerce Commission.

NOW, THEREFORE, in consideration of the premises and the agreement of the Company to cause payment to the Agent of certain proceeds of the sale of the Gondolas, the parties agree as follows:

1. The Agent hereby releases its security interest under the Code and under 49 U.S.C. §11303 in and to the Gondolas having Identification Nos. P&LE 14381 and 14527.

2. Except as provided hereinabove, the Credit Agreement and the Security Agreement are, in all respects, ratified and confirmed and all the terms, conditions and provisions thereof shall be and will remain in full force and effect.

3. The Company has entered into an agreement of sale in respect of the Gondolas (the "Agreement of Sale"). Pursuant to the Agreement of Sale, the Company is entitled to receive \$9,000 as payment for the Gondolas. From said proceeds the Company shall be entitled to reimburse itself in the amount of \$1,388.28 which it spent in payment of sales commissions, UFC charges and expense in changing reporting marks so that they could be in a condition suitable for sale pursuant to the Agreement of Sale, and the Company will cause the remaining balance of \$7,611.72 due under the Agreement of Sale to be effected in a manner so that the Bank will receive, directly from the purchaser of the Gondolas, the remaining cash proceeds due under the Agreement of Sale; such amount shall be paid directly to the Bank by means of a check drawn by or on behalf of the purchaser under the Agreement of Sale and payable to the order of the Bank, or by direct funds transfer from such purchaser's bank to the Bank, and in any event the Company will ensure that none of such cash proceeds becomes commingled with the property of the Company. The Bank will apply such cash proceeds toward payment of the principal amount of the Secured Obligations in such order as the Bank in its sole discretion shall determine.

4. The Company will cause this Release of Collateral to be filed and recorded in the Office of the Interstate Commerce Commission pursuant to the provisions of 49 U.S.C. §11303, and will furnish to the Agent and the other Banks a certificate or other evidence satisfactory to the Banks of such filing and recording.

5. This Release of Collateral may be simultaneously executed in several counterparts, each of which shall be

deemed to be an original, and all of which shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Release of Collateral to be signed as of the day and year first above written.

ATTEST:

Anthony J. Cortese, V.P.

Anthony J. Cortese, VP

THE FIRST NATIONAL BANK OF
BOSTON, as Agent

By

Jack J. Bradley

Jack J. Bradley, AVP

ATTEST:

G. Edward Yurcon

G. Edward Yurcon
Assistant Secretary

THE PITTSBURGH AND LAKE ERIE
RAILROAD COMPANY

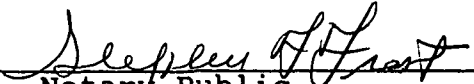
By

Gordon E. Neuenschwander

Gordon E. Neuenschwander
Executive Vice President

COMMONWEALTH OF MASSACHUSETTS)
) SS:
COUNTY OF SUFFOLK)

On this 26th day of October, 1983, before
me personally appeared Jack J. Bradley,
to me personally known, who being by me duly sworn, says
that he is Assistant Vice President of The First National
Bank of Boston, that one of the seals affixed to the foregoing
instrument is the corporate seal of said corporation, that said
instrument was signed and sealed on behalf of said corporation
by authority of its Board of Directors, and he acknowledged
that the execution of the foregoing instrument was the free act
and deed of said corporation.


Notary Public

My Commission Expires: July 29, 1988

COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF ALLEGHENY)

On this 20th day of October, 1983, before
me personally appeared GORDON E. NEUENSCHWANDER, to me personally
known, who, being by me duly sworn, says that he is the EXECUTIVE
VICE PRESIDENT of The Pittsburgh and Lake Erie Railroad Company,
that one of the seals affixed to the foregoing instrument is
the corporate seal of said corporation, that said instrument
was signed and sealed on behalf of said corporation by authority
of its Board of Directors, and he acknowledged that the execu-
tion of the foregoing instrument was the free act and deed of
said corporation.


Notary Public

My Commission Expires: _____
TERRI STEBNER-WILSON, NOTARY PUBLIC
BRENTWOOD BORO, ALLEGHENY COUNTY
MY COMMISSION EXPIRES MAY 13, 1985
Member, Pennsylvania Association of Notaries